



# House of Representatives

General Assembly

**File No. 452**

February Session, 2018

House Bill No. 5518

*House of Representatives, April 12, 2018*

The Committee on Government Administration and Elections reported through REP. FOX of the 148th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT PROTECTING THE CITIZENS' ELECTION FUND.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 9-750 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) (1) If, ~~[(1)]~~ for the fiscal year ending June 30, 2006, or any fiscal  
4 year thereafter, the amount of funds available under section 3-69a for  
5 deposit in the Citizens' Election Fund established in section 9-701 is  
6 less than the amount of funds required under ~~[said]~~ section 3-69a to be  
7 deposited in said fund, resulting in an insufficiency in the amount of  
8 the deposit, ~~[or (2) during an election cycle the amount of funds in the~~  
9 Citizens' Election Fund is less than the amount of funds required to  
10 provide grants to each qualified candidate committee pursuant to the  
11 provisions of this chapter, resulting in an insufficiency in said fund,] a  
12 portion of the revenues from the tax imposed under chapter 208, equal  
13 to the amount of any such insufficiency, ~~[described in subdivision (1)~~  
14 ~~or (2) of this section,]~~ shall be deposited in said fund to allow for the

15 payment of grants pursuant to the provisions of this chapter.

16 (2) If, during an election cycle, the amount of funds in the Citizens'  
17 Election Fund is less than the amount of funds required to provide  
18 grants to each qualified candidate committee pursuant to the  
19 provisions of this chapter, resulting in an insufficiency in said fund,  
20 the cash portion of property unclaimed or presumed abandoned under  
21 part III of chapter 32, equal to the amount of any such insufficiency,  
22 shall be deposited in said fund to allow for the payment of grants  
23 pursuant to the provisions of this chapter.

24 (b) Notwithstanding the provisions of section 3-69a, if funds are  
25 deposited into the Citizens' Election Fund pursuant to the provisions  
26 of subdivision [(2)] (1) of subsection (a) of this section, the aggregate  
27 amount of any such deposits shall be deducted from the amount  
28 deposited into said fund under section 3-69a for the following fiscal  
29 year.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	9-750
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**GAE**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### ***OFA Fiscal Note***

#### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 19 \$</b>	<b>FY 20 \$</b>
Elections Enforcement Commission	Citizens' Election Fund - Potential Revenue Gain	See Below	See Below
Resources of the General Fund	GF - Potential Revenue Loss	See Below	See Below

Note: GF=General Fund

#### ***Municipal Impact:*** None

#### ***Explanation***

The bill requires that if there are insufficient funds in the CEF, proceeds from the state's sale of unclaimed or abandoned property be deposited in the CEF to cover the shortfall. Under current law, corporate business tax revenues must be used to make up a shortfall in the CEF.

The bill will result in a revenue gain to the CEF and a revenue loss to the General Fund if the CEF has insufficient funds to cover grants. To date, the CEF has had sufficient funds to cover all candidates participating in the Citizens' Election Program.

#### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to CEF insufficiencies in the outyears.

**OLR Bill Analysis****HB 5518*****AN ACT PROTECTING THE CITIZENS' ELECTION FUND.*****SUMMARY**

By law, grants to candidates participating in the Citizens' Election Program (CEP) are made from the Citizens' Election Fund (CEF). The CEF is funded mostly by proceeds (i.e., the cash portion) from the state's sale of unclaimed or abandoned property that escheats (reverts) to it (see BACKGROUND).

This bill requires that, if during an election cycle there are insufficient funds to cover grants to qualified CEP candidates, proceeds from the state's sale of unclaimed or abandoned property be deposited into the CEF. The deposit must equal the insufficiency. Under current law, if there are insufficient funds to cover grants, corporation business tax revenues must be deposited into the fund to cover the shortfall. The bill also eliminates the requirement that, when funds are deposited in the CEF under this provision, an amount equal to the aggregate deposits be deducted from the escheats deposited into the CEF the following fiscal year.

The bill maintains the requirement that if there are not enough proceeds from escheated property in a fiscal year to cover the statutorily-determined annual deposit, corporation business tax revenue be deposited into the CEF to make up the shortfall. If tax revenues are deposited in the CEF for this purpose, the bill requires that an amount equal to the aggregate deposits be deducted from the escheats deposited into the CEF the following fiscal year.

EFFECTIVE DATE: Upon passage

**BACKGROUND**

**CEF**

The CEF is funded mostly by a statutorily determined amount of proceeds from the sale of unclaimed or abandoned property that escheats to the state. The fund may also receive voluntary contributions, surplus donations from candidate committees, and proceeds from its investment earnings.

SEEC must determine, by January 1 in a state election year, whether there is enough money in the CEF to provide grants to CEP candidates. The state treasurer administers the fund, which is a separate, nonlapsing account in the General Fund.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea 9      Nay 8      (03/23/2018)